



GMS Flash Alert

Immigration Edition

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Malaysia - Changes to Employment Pass for Expatriates

The Immigration Department of Malaysia announced that effective 1 January 2021, companies intending to employ expatriate employees are first required to advertise the job vacancy for at least 30 days in the MYFutureJobs portal.¹ The new policy imposes several other requirements before a company may get approval to hire expatriates under the Employment Pass (EP).²

WHY THIS MATTERS

This new requirement would significantly delay the procurement of EPs. Employers can expect prolonged processing times by the Immigration Department of Malaysia due to the various movement control orders imposed in Malaysia since the middle of March 2020³, as well as needing more time to fulfill all the other entry requirements before an expatriate employee can start work in Malaysia.

Companies and global mobility professionals charged with the immigration affairs of their employees and immigration counsels should be aware of this update since such changes could impact their planning, policies, and processes.

More Details

In addition to placing an advertisement for 30 days, a company is also required to conduct interviews with short-listed local candidates, complete and submit relevant reports to the Social Security Organisation (SOCSO) to obtain clearance from the Expatriates Hiring Committee if local candidates are not suitable, before the company could offer the vacancy to an expatriate. EPs can only be applied for from the Immigration Department of Malaysia after clearance is obtained. Failing to do so may result in not getting approval to employ an expatriate employee.

Companies may also advertise in different platforms.⁴ However, the advertisement in the MYFutureJobs portal is mandatory with some automatic exemptions available for the following categories:

- i. C-suite and key positions in an organisation;
- ii. Expatriate with monthly basic salary of at least MYR 15,000;
- iii. Expatriate employee working for regional / representative office in Malaysia;
- iv. Investor / shareholder / owner of company;
- v. Internal transfer / secondment arrangement;
- vi. Foreign recruited staff for approved international organisation;
- vii. Athletes / professional sportsman;
- viii. Renewal of EP.

Special exemptions can also be applied for highly-skilled positions. However, approval is at the discretion of the Authority. This new requirement is intended to prioritise job opportunities for locals and to reduce the unemployment rate.

KPMG NOTE

This new requirement is not applicable for Professional Visit Pass (PVP) application for those entering Malaysia for short duration for training and providing expert services. It is also notable that the Authority has been strict in granting EP to foreign nationals to support the government's effort to reduce the unemployment rate.

(For a related story on Malaysia immigration developments, see GMS [Flash Alert 2019-086](#), 10 May 2019.)

[MYR 1 = EUR 0.203 | MYR 1 = USD 0.247 | MYR 1 = GBP 0.181 | MYR 1 = AUD 0.319 | MYR 1 = CNY 1.599]

FOOTNOTES:

1 For the 31 December 2020 press release from the Expatriate Services Division, see <https://esd.imi.gov.my/portal/latest-news/announcement/myfuturejobs-recommendation-for-expatriates/> . For the employer portal user manual, see https://www.perkeso.gov.my/images/images/311020%20-%20hiring_rehiring-MYFutureJobs%20Manual.pdf .

2 For advertising FAQs, see https://www.perkeso.gov.my/images/hiring_rehiring/2912202_-_FAQ_ADVERTISEMENT_MYFUTUREJOBS_BIL_2_2020.pdf .

3 For prior coverage, see GMS [Flash Alert 2020-107](#), 25 March 2020.

4 See [MyFuturejobs Recommendation For Foreign Workers And Expatriate Application \(perkeso.gov.my\)](#) .

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Contact us

For additional information or assistance, please contact your local GMS or People Services professional or the following professional with the KPMG International member firm in Malaysia:



Long Yen Ping

Tel. +60 (3) 77217018

yenpinglong@kpmg.com.my

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